

**Washington, D.C.** - At the urging of Congresswoman Melissa Bean (IL-08), the House of Representatives passed legislation to protect restaurants, coffee shops, gas stations, and mom-and-pop stores from frivolous lawsuits prompted by a lack of clarity in federal law.

The House passed H.R. 4008, The Credit and Debit Card Receipt Clarification Act, by a unanimous 407-0 vote late Tuesday.

The bill, which Bean introduced along with Rep. Tim Mahoney (FL-16), will shield small businesses from over 500 predatory lawsuits that have been filed for possible violation of a vaguely-worded section of federal law regarding credit card receipts.

“During these challenging economic times, small businesses still provide a majority of new jobs,” Bean said. “The last thing they need is expensive, predatory lawsuits filed because of Congress’ lack of clarity. That’s why I urged our leaders to get this bill to the floor for a vote, and I commend my colleagues for their bipartisan support.”

H.R. 4008 makes a technical correction to the Fair and Accurate Transaction Act (FACTA) which became law in 2003 and went into effect in December 2006. Section 113 of the law said that businesses taking credit cards are prohibited from printing more than the last 5 digits of a consumer’s credit and debit card number or the expiration date on printed receipts. The law was meant to require that both are removed from receipts, however vagueness in the law and a lack of clarification from the Federal Trade Commission led many businesses to only truncate the credit card number and leave the expiration date on the receipt. Although experts have noted that this is sufficient for foiling identity thieves, this potential violation exposed businesses who were trying to comply with the law to frivolous lawsuits.

While H.R. 4008 preserves a consumer’s right to sue in the event that the credit card number is not truncated, it is important to note that of the over 500 lawsuits already filed, none have made any allegation of consumer harm.

“Since the lawsuits have been filed, most businesses have updated their cash registers to insure they are in full compliance with either interpretation of FACTA,” Bean said.

“Unfortunately, they still face pending lawsuits that will exacerbate the economic pressure these businesses are facing in today’s market. Some small firms cannot bear these legal costs. I met a local restaurateur who was so adamant about fighting these predatory class action lawsuits that he is paying the legal fees for a colleague – a small coffee shop owner who couldn’t pay it on his own.”

H.R. 4008 now heads to the Senate.

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